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CENTRAL INTELLIGENCE AGENCY

BOARD OF NATIONAL ESTIMATES

14 January 1952

MEMORANDUM FOR: Mr. Allan Evans, OIR

Colonel B. B. Talley, G-2

Captain Ray Malpass, ONI Colonel Edward H. Porter, AFOIN

Colonel S. M. Lensing, JIG

SUBJECT

: SE-21: Probable Developments in the Republic of Panama through Mid-1952

- 1. Terms of reference for subject estimate are enclosed for your information.
- 2. On 11 January the Special Assistant, Intelligence, Department of State, requested a "crash" estimate on the subject of conditions in the Republic of Panama. Because of the nature of the request, it was agreed that this estimate would be written jointly by State and CIA on the basis of terms of reference agreed to by the requester. A draft estimate is to be completed by 16 January and will then be circulated to the IAC agencies for comment and concurrence as soon thereafter as possible, 25X1A9a

Executive Secretary

Distribution "B"

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CENTRAL INTELLIGENCE AGENCY

14 January 1952

SUBJECT: TERMS OF REFERENCE: SE-21: PROBABLE DEVELOPMENTS IN THE REPUBLIC OF PANAMA THROUGH MID-1952

THE PROBLEM

To estimate probable developments in the Republic of Panama through mid-1952 with special reference to Communist and other anti-US developments that might adversely affect US interests in Panama.

QUESTIONS BEARING ON THE PROBLEM

- I. WHAT IS THE UNDERLYING SITUATION IN PANAMA AT THE PRESENT TIME?
 - A. What is the political situation?
 - 1. What is the nature of current political rivalries?
 - 2. Are disorders likely as a result of these rivalries?
 - B. What is the economic and social environment in which the political contest is taking place?
 - 1. What is the nature of the present economic distress in Panama?

- 2. What is the effect of alleged social discrimination?
- 3. Are there any other disruptive elements in the economic and social situation?
- C. What is the status of formal relations with the US?
 - 1. Are there any critical differences with the US affecting the Canal Zone or any other important issue?
 - 2. Is the present Panamanian attitude toward the US to any extent motivated by Panamanian desires for US aid?
- II. WHAT ARE THE PRINCIPAL DISHUPTIVE ELEMENTS IN PANAMA, AND WHAT ARE THE COUNTERVAILING FORCES FOR KEEPING THESE ELEMENTS UNDER CONTROL?
 - A. What is the strength and influence of Communist and other anti-US elements?
 - What party is the Communist Party of Panama; how large is it; what is the character of its leadership; what is its organization; what is its ideological complexion?
 - 2. What external ties have the Communists to such possible sources of Communist aid as: Cuba, Guate-

- mala, Mexico, Soviet and Soviet Orbit representatives in the region, the WFTU, the CTAL?
- 3. Are the Panamanian Communists supported by significant mumbers of fellow travellers and sympathizers?
- 4. What is the extent of Communist influence in the government, the labor unions, or other important groups?
- 5. Are there leaders or potential leaders, whether or not directly connected with the Party who might, given the right circumstances, take advantage of disorders arising out of the present situation?
- 6. What other disruptive elements are there in Panama, and what are their ties, if any, with the Commanists?
- 7. What is the extent of anti-US sentiment in Panama; in what groups is it prevalent, and to what extent can it be utilized by the Communists?
- B. What is the strength and orientation of the security forces in Panama?
 - 1. Are they capable of maintaining order during the period of the estimate?

- 2. Is there any possibility that they might be used as an anti-government force?
- III. WHAT ARE PROBABLE FUTURE DEVELOPMENTS IN PANAMA OVER THE PERIOD OF THE ESTIMATE?
 - A. During this period, might the Communists
 - l. Seize control of the government?
 - 2. So solidify their position that they would be in position to work effectively against the interests of the US?
 - 3. Increase their power and influence significantly?
 - 4. Make no advance, or diminish in strength and influence?
 - B. How might developments in Panama over the period of the estimate affect US security interests?
 - 1. Might the security of the Canal Zone be endangered?
 - 2. Might Panamanian cooperation on ship-registry problems related to East-West trade restrictions be affected?
 - 3. Might US security interests be affected in any other ways?